

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL/REDEVELOPMENT AGENCY**

**MINUTES
March 23, 2010**

A regular meeting of the City Council/Redevelopment Agency of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday March 23, 2010.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Vargas called the meeting to order at 4:00 p.m.

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The roll was called and the following were present: Mayor Grace Vargas, Mayor Pro Tem Joe Baca Jr., Council Members Deborah Robertson, Ed Scott and Ed Palmer. Also present were City Administrator Henry Garcia, City Attorney Jimmy Gutierrez and City Clerk Barbara McGee.

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**GENERAL PLAN UPDATE
WORKSHOP**

Mike Story, Director of Development Services stated that they have been working on the General Plan update for a few years. They had numerous meetings with the General Plan Advisory Committee and it has been before the Planning Commission at a workshop. Currently the Environmental Impact portion is out for the mandatory 45-day review period.

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Sam Gennaway, Hogle Ireland, stated that the purpose of the workshop is to discuss planning for the future, guiding principals, various elements that are part of the plan and address any issues and concerns. This plan came from a lot of extensive public outreach. The guiding principals City Council adopted a while back was to get input from various stakeholders, homeowners, business owners and others that have a stake in the community and wanting to see the community thrive and give policy direction.

GENERAL PLAN UPDATE

WORKSHOP

Sam Gennaway, Hogle Ireland, stated that it was refined by the General Plan Advisory Committee (GPAC) and then formally adopted by City Council. There are four basic statements, Rialto is a family first community, Rialto shall attract high quality new development and improve its physically environment, Rialto's economic environment is healthy and diverse and Rialto is an active community. These policy directions should be used by the City Council, Planning Commission and anyone interested in development as a check list to make sure the development proposals meet the needs, values and standards. The general Plan is a book and comes in various chapters also known as elements by State law. They do have the flexibility of combining some of the elements for chapters so it makes a more efficient document. The first Chapter is introductions, its set up the stage, managing the land supply which includes land use and open space, community design and conservation. Investing in the future which is anything dealing with the dollars, economic development, redevelopment, infrastructure, public services and facilities. Making the connections which talks about the circulation, not just cars but bicycles, bus rapid transit, all sorts of ways of getting around the community. Creating great neighborhoods, safety and noise. Where they live, the housing element which is the single largest chapter in the document. The cultural roots and historical resources and the operating manual which is the implementation plan which allows them to implement the policies within the document. Managing the land supply is probably the one chapter when they think about a General Plan that they think about most which is dealing with land use and how they allocate that precious resource. Community design and improving the aesthetic quality of the community. Open Space as an active community they have to have both passive and open space throughout the community. Conservation a nod towards sustainability and keeping the city green and keeping resources for other generations. The land use plan is characterized in a map which is included. One of the big changes they have done is simplifying the land use category. For instance, they use to have low residential, low-medium residential, medium-high residential and went on with four different versions of each of those. They simplified it so that Residential 2 means that there are no more than two units per acre within that category. Residential 6 means six units or less per acres for that residential category. Then in very select areas notably the downtown and foothill blvd. where the infrastructure would support it the potential for Residential 30. The office category has also been simplified; it's either office, downtown, mixed-use or combine both retail and residential within the same structure or adjacent structure, community commercial and general commercial.

GENERAL PLAN UPDATE

WORKSHOP

Sam Gennaway, Hogle Ireland, stated Industrial includes, business parks, light industrial, and general industrial, public facilities, they split up the open space, recreational open space and open space for resources such as water basins and flood control channels. School facilities and public facilities. When working with the GPAC they recognized that the City was pretty stable. The single family neighborhoods should be healthy and thrive so they didn't really look to make changes. They focused their efforts in four principal areas. Downtown Rialto, creating a more robust commercial center district. Foothill Blvd., taking advantage of the bus rapid transit coming through the community. The Renaissance Rialto, the former Airport project. The Lytle Creek Ranch Project, which is going through its entitlement phase. The Downtown Plan was recently adopted and it created a dynamic sense of uses and creates and more walkable environment and creates opportunities for mixed-use development. It also provides economic strategies so the downtown continues to be a healthy place. Foothill Blvd. Specific Plan is under consideration. The idea is to give the planning department greater flexibility to take advantage of Omnitrans bus rapid transit being proposed right now. This can be a tremendous asset to the community. Making it more walkable and pedestrian friendly and trying to get rid of some of the blockages and barriers. There are also very extensive design guidelines for a high quality. The Renaissance Rialto is going through changes but continuing to be updated and will be a dynamic center that will take advantage of the 210 freeway. The Lytle Creek Ranch Project will be a predominately residential neighborhood but will also include pathways, parks, open space, commercial space and other services. The specific implementation for those four specific areas will come out of the Specific Plan document generated outside of the General Plan. The General Plan takes advantage of those and makes them consistent for State law so they don't have to go through major regulatory changes once the plans have been approved. The land use, some of the highlights for the policies include neighborhood preservation. They wanted to make if there were incompatible land uses that there were policies that dealt with those. Annexation of the sphere of influence areas notably north along Lytle Creek and the Bloomington areas. How do they deal with those areas that are within the control of the City through LAFCO that are not directly within the City's borders? The Gateway Area - the Valley Blvd./Riverside Avenue Corridor also get a high scrutiny within the plan. Community design, making the community more aesthetic a more beautiful place. Everything is illustrated, pictures wherever possible. Throughout the plan, you will notice, it's heavily graphic. It's also designed to work well as an electronic document. Some of the other aesthetics include architectural design standards that are higher.

GENERAL PLAN UPDATE

WORKSHOP

Sam Gennaway, Hogle Ireland, stated as an active community parks and open space are critical so they outline where the existing parks are. Define where potential future parks are and illustrate what the design quality should be for all these open spaces. Also, because of State mandates, conservation is throughout the entire plan. It's a very green document, that meets the standards that the State has set out for AB 32 and SB 375 they feel this plan will satisfy those needs. The next chapter would be investing in the future which deals with the economic development, redevelopment, infrastructure, public services and facilities. Some of the policy highlights is to create a more diversified tax base so that no matter if its good or bad economic times the City will have the resources to be able to deliver high quality services as demanded by the residents. They improve the corridors and historical commercial areas and keep them revitalized so they stay relevant and keep tax dollars in Rialto. They also get into the infrastructure and water is key in this area and the issues they have had with water. This document is very strong in assuring they have an adequate water supply over the next 15-20 years over the life of the plan. Public facilities is one of the ways the community measures themselves so they go to a great extent in documenting the existing public facilities and talking about potential new public facilities, their location and the standards of those facility developments. The circulation chapter is one issue that impacts everybody and how they get around. They deal with streets, the congestion, bicycling and making it pedestrian friendly. It's based on a concept called complete streets that will be required by the State in the next couple of years. They have incorporated the complete streets notion in this General Plan and the idea is you think of a street as a pipeline that has to carry a variety of different things. Not all streets need to carry all different modes. So they have identified alternatives for cyclists, pedestrians, standards. Throughout the document they provide cross sections and show photos when implemented correctly. They also wasn't to encourage ridership on the Metrolink and bus rapid transit since it will go down Foothill Blvd. They wanted to set up Rialto to take advantage of this mode of transportation. They have identified bicycling and walking paths that can be implemented over time. Safety and noise are quality of life issues that are very important to the members of the community and also required by law. So they deal with seismic, flooding, wind, emergency response, gangs, noise. Some of the policies highlights are to try to minimize development in areas that they know for a fact are going to have issues. The Plan highlights both seismic, flooding hazards, fire hazards are all highlighted. Also, hazardous materials and truck traffic. Public safety has a section about gangs because it's an issue that rose significantly.

GENERAL PLAN UPDATE

WORKSHOP

Sam Gennaway, Hogle Ireland, stated that noise became an issue because of the 210 freeway and this Plan adequately deals with those issues. Cultural and historical resources has its own chapter which tells the history of the community and talks about some of the important resources that needs to be preserved. One resource that should be taken advantage of is the Pacific Electric Trail as other communities in the San Bernardino Valley are completing their trail. The opportunity to put in a high quality bike trail connecting to other communities will be an asset. The housing element is the biggest chunk of this Plan and it goes under a different set of standards as far as State law and there are a number of requirements that are different within a General Plan. This is one of the reasons that this chapter is longer. Since that chapter is updated more frequently every 6-8 years. They wrote the housing element in a specific way that will allow whoever the consultants are updating the housing element will be a lot easier and cost efficient to update. The one they will get most familiar with is the implementation plan where they talk about goals. They talk about policies which are measureable, accountable ways on achieving those goals and then implementation measures which talk about which agency and generally timing of when these goals and policies should be implemented. As policy makers they can use the implementation chapter as a check list to determine whether they succeeded in their goals.

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Council Member Robertson stated that in the General Plan – identifying the circulation. She sees they have identified everything already existing. Hopefully the plan doesn't put them in a position where they will not be able to entertain other options that may come along or may become a vision that becomes a reality later such as the Gold Line going into the Ontario Airport. There is still a desire as a region to come from the Ontario Airport and come East toward San Bernardino. Ideally, Foothill Blvd. will be a good corridor.

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Sam Gennaway, Hogle Ireland, stated looking at the Foothill Blvd. corridor, they talked with the Gold Line Construction Authority about potential routes as it would come through Rialto which is a vision way down the road. The one vision around the corner is Omnitrans with its bus rapid transit. They will make sure Foothill Blvd. takes advantage of the high transit corridor. They have identified potential stops and identified enhanced land use opportunities. They looked at Riverside Ave. that way and also in the case of the bike trails they identified a number of trails. The standards can be applied towards one of these new types of systems. The roadway classifications and standards are flexible. They know Rialto can really benefit from bus rapid transit.

GENERAL PLAN UPDATE
WORKSHOP

Sam Gennaway, Hogle Ireland, stated this would mean they would have stops with very short headways spread about once a mile throughout Foothill Blvd. that will take you straight to downtown San Bernardino and with one transfer you can go to the University or Loma Linda Hospital. The standards for the Pacific Electric Trail and its right of way has the potential for the Gold Line going through it. It's also the plan that Rancho Cucamonga has adopted and Fontana has talked about it.

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Council Member Robertson stated that she appreciates that the documents looks streamlined. Why are they using 2005 Census numbers as opposed to waiting and using the new 2010 Census data.

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Sam Gennaway, Hogle Ireland, stated that they have not thought of that. The projections are based off the SCAG projections and what SCAG felt was going on with the region. If one looks back at what the projections were 10 years ago and where the San Bernardino Valley was going to be today, they have seen generally lower grower rates and lower traffic counts. With the data they have is good data but it probably higher than what the Census is going to show. He feels it gives the policymakers a little more flexibility because they might suggest the box itself is slightly bigger because of the data they are using. Once the Census comes in they will find the numbers a little smaller.

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Council Member Robertson stated that when they started he process they thought they were going to be completing it sooner than being so close to the 2010 Census with new data.

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Sam Gennaway, Hogle Ireland, stated that the models they used to run the traffic models are based off SCAG projections and he doesn't think that SCAG will be able to reconfigure their model quickly enough to meet Rialto's needs for adoption of this General Plan. This is some thing he wants to check on but he doesn't think there are any economic ramifications whatsoever on adopting the General Plan at this time and waiting for the Census. The Housing Element is the most demographic driven chapter and based on the department of Finance data they are currently using. There would be no benefit in waiting about a year for the new Census data.

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Mayor Vargas stated that she was pleased with the document having pictures.

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GENERAL PLAN UPDATE WORKSHOP

City Administrator Henry Garcia stated that he would like to follow up on Council Member Robertson's questions. Between the General Plan, The Foothill Blvd. Specific Plan, Lytle Creek and Renaissance, the City Council has a good footprint to be able to measure development but be able to manage development too.

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Motion by Council Member Palmer, second by Council Member Robertson and carried by unanimous vote to adjourn the Workshop and go into Closed Session.

City Council went into Closed Session at 4:35 p.m. and returned at 5:05 p.m.

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CLOSED SESSION

1. Conference with Legal Counsel - Existing Litigation - The City Council and Redevelopment Agency Board will discuss the following pending litigation pursuant to Government Code Section 54956.9(a):

(a) City of Rialto v. U.S. Department of Defense, et al. (Perchlorate)
(United States District Court Case No. EDCV 04-79 PSG(SSx))

(b) Gary Chaffee v. City of Rialto, et al.
(Los Angeles County Superior Court Case No. BS120940)

2. Conference with Labor Negotiator regarding the following recognized employee organization pursuant to Government Code Section 54957.6:

Agency negotiator: Brad Neufield, BBK
Wayne McAfee

Employee organization: Rialto Police Benefit Association
Firefighters Union Local 3688
Mid-Management Bargaining Unit
General Bargaining Unit
CGMA Bargaining Unit
Fire Management Bargaining Unit

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CALL TO ORDER

Mayor Vargas called the meeting to order at 6:09 p.m.

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The roll was called and the following were present: Mayor Vargas, Mayor Pro Tem Baca Jr., Council Members Robertson, Scott and Palmer. Also present were City Administrator Garcia, City Attorney Gutierrez and City Clerk McGee.

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Pledge of Allegiance and Invocation

Council Member Ed Palmer led the pledge of allegiance and Council Member Ed Scott gave the invocation.

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CITY ATTORNEY'S REPORT ON CLOSED SESSION

City Attorney Jimmy Gutierrez stated that the City Council discussed the following items under Closed Session.

Item 1a, City of Rialto v. United States Department of Defense, pertaining to perchlorate contamination. City Council heard a status report and no action was taken.

Item 1b, Gary Chaffee v. City of Rialto, et al., it was recommended to appeal this case and City Council authorized it.

Item 2, Conference with Labor Negotiator. City Council heard a report from Mr. McAfee on the status of negotiations with the City's Bargaining Units. Direction was given but no action was taken.

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PRESENTATIONS

John Dutrey, Housing Manager stated that the City received a 2010 Community Redevelopment Agencies Association (CRA) – Award of Excellence for the Citrus Grove Project – Partnership with National CORE.

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Council Member Robertson presented a Resolution of Recognition for Norooz 2010 – Celebration of the Persian New Year.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

1. Resolution No. 33 (3/05/10)
2. Resolution No. 34 (3/12/10)

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C. APPROVAL OF MINUTES

1. Regular RDA/City Council Meeting – March 9, 2010

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D. SETTING OF PUBLIC HEARINGS

1. Request City Council to set a Public Hearing for the **April 13, 2010** to approve a Preannexation Agreement between the City of Rialto and Lytle JV III.

CONSENT CALENDAR

D. MISCELLANEOUS

1. Request City Council to adopt of **Resolution No. 5813** in support of the Local Taxpayer, Public Safety and Transportation Protection Act of 2010
2. Request City Council to adopt **Resolution No. 5814** for the 2010 Weed Abatement Program and set a Public Hearing for the **April 27, 2010** City Council Meeting for the 2010 Weed Abatement program.
3. Request City Council to adopt **Resolution No. 5815** authorizing access to State and Federal Summary Criminal History Information for Employment, Licensing and Certificate purposes and approval of associated costs.
4. Request the Redevelopment Agency to adopt **RDA Resolution No. 700** approving Amendment No. 3 to the Exclusive Right to Negotiate Agreement between the Redevelopment Agency of the City of Rialto and Fernando Acosta.
5. Request City Council to adopt **Resolution No. 5816** approving the Second Amendment to the Professional Services Agreement between the City of Rialto and Stan Hoffman and Associates for Fiscal Impact Analysis related to the Lytle Creek Project.
6. Request City Council to adopt **Resolution No. 5817** approving Agreement for the Advance of Funds for the Negotiation of a Development Agreement related to a portion of the Lytle Creek Specific Plan (Monier Lifetile).
7. Request City Council to adopt **Ordinance No. 1456** regulating Wireless Telecommunication Facilities.

ORDINANCE NO. 1456

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA, THAT ADDS CHAPTER 18.111 OF THE RIALTO MUNICIPAL CODE REGULATING WIRELESS TELECOMMUNICATION FACILITIES

8. Request City Council to approve and accept the Final Map for parcel Map No. 19075.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to approve the Consent Calendar as presented.

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NEW BUSINESS

TAB 2 – DDA with KDF Communities for the development of an Affordable Senior Housing/Commercial Mixed Use Project

Council Member Scott stated that this TAB relates to a project in the downtown area and he own a business in the downtown and will need to declare a conflict and will abstain from this item.

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Council Member Palmer stated that he will need to abstain from this item as well.

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Council Member Scott and Council Member Palmer left the dais at 6:15 p.m.

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Robb Steel, Director of Economic Development stated that this is a project that has been in the works since 2006. The KDF Crossroads at Rialto Project to be located at the intersection of Rialto Ave. and Riverside Ave. They started negotiating this project and assembling the site in 2006. They have spent approximately \$1.4 million acquiring the 1.4 acre site. The project that is proposed is 117 affordable rental units over ground floor retail. Riverside Ave. frontage has 5300 sq. ft. of commercial space and then there are three stories of apartments built over an underground parking structure. There are 145 spaces in that structure. They want to get a great street presence have the buildings stacked out to the frontage to get the feel of an urban area. There will be a central courtyard. The project could get constructed as early as 2011. The commencement of construction is contingent on the award of tax credits. One thing they have asked the developer to do was to seek other funding and gave them a 2 years period of time to get the 9% funding and option to extend it for a year. They have done a lot of preliminary work and agreed to reimburse them a maximum of \$500,000 for some of those predevelopment expenses if the project doesn't proceed. As in all of their projects, their participation in the project is structure of residual receipts loan. Whatever assistance in terms of the land purchase price or construction assistance they write up as a Note and they agree to pay them back 3% interest over the life of the project. In most cases the residual receipts they pay are fairly small and they don't expect to see all the money coming back but at the end of the project life cycle the debt is on the project. The age eligibility requirement for this project is 55 years and older pursuant to the redevelopment law. The residential project is going to be approximately \$24 million for the 117 units. The Agency's assistance is \$9 million which will come from the low/mod income housing fund. The retail project is \$2.4 million to be funded by tax credits. This project is not subject to prevailing wages based on the structure that they have developed with the developer. There is only a single source of funding in the RDA low/mod funding that has a statutory exemption from the applicability of prevailing wage.

NEW BUSINESS

TAB 2 – DDA with KDF Communities for the development of an Affordable Senior Housing/Commercial Mixed Use Project

Robb Steel, Director of Economic Development stated that the rents for this project have been established based on 30%-50% of the County median income. This is based on the 9% tax credit regulations as well as redevelopment law. The one bedroom units would be rented at \$624 and \$748 for a two bedroom unit. This project has a mix of 1's and 2's so its looking for couples or roommates not just singles. One unit is reserved for the on-site manager. For redevelopment purposes 58 units will qualify for very low income and 58 units for low income housing. They will credit for at least half of very low income and half for low income. The Agency's obligation is to make sure 15% of the housing that gets constructed in this project area is affordable.

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Council Member Robertson stated that there was a concern about the circulation when they talk about the parking garage plan. The concern was the ability for service trucks to service the business community that fronts Riverside Avenue and people coming in an out of the underground parking. She wants to make there is ample room for turn and movement. Also, if they can share the difference between the concern that was raised between the really low housing cost and then the low housing cost.

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Robb Steel, Director of Economic Development stated that there is an alleyway they run to the north side of the project. They have placed truck templates down and the alley will be diverted along the north side. Additional property has been acquired to build in additional room. They have made sure that the trucks that service the businesses can make a turn out. They made sure they didn't compromise any of the Riverside store fronts ability to get deliveries from the rear entries. Access from the residential garage will be on Rialto Ave. As far as the income restrictions go with this project because it's seeking tax credits. The differences are the formulas than what it means to the rents.

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Council Member Robertson stated that she believes the question arose from a member of BIDA because they want to ensure the housing product and the people who reside there would be able to participate with the business entities that are at the ground level.

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Robb Steel, Director of Economic Development stated that they have to consider the people at the very low income levels \$15,000-\$18,000.

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NEW BUSINESS

TAB 2 – DDA with KDF Communities for the development of an Affordable Senior Housing/Commercial Mixed Use Project

Mayor Pro Tem Baca Jr. asked if they don't qualify for the 9% tax credit and only qualify for the 4% what does that mean in dollars.

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Robb Steel, Director of Economic Development stated that it means \$5 million. When they first started putting the project together they were going down the 4% credit path. The reason was that it was non-competitive and they could get to construction a lot quicker. It was because of financial necessity they had to regroup and go to the 9% credit. If they are unsuccessful in getting the 9% credit they may come back for City Council to consider the 4% credit and contributing additional funding from RDA. The Agreement doesn't allow them to do that without Council action.

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Mayor Pro Tem Baca Jr. asked with the three TELACU projects combined how many housing units will they provide.

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Robb Steel, Director of Economic Development stated that they will provide 220 units.

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Mayor Vargas declared the public hearing open. No one came forward.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Robertson and carried by a 3-0 vote to close the public hearing. Council Members Scott and Palmer abstained from voting.

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Motion by Council Member Robertson, second by Mayor Pro Tem Baca Jr. and carried by a 3-0 vote adopt Resolution **No. 5818**, **RDA Resolution No. 701** and **RHA Resolution No. 0004-10** for Approval of a Disposition and Development Agreement with KDF Communities for the Development of an Affordable Senior Citizen Housing/Commercial Mixed Used Project at the northeast corner of Riverside Avenue and Rialto Avenue. Council Members Scott and Palmer abstained from voting.

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Council Member Scott and Council Member Palmer returned to the dais at 6:45 p.m.

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Council Member Robertson left the dais at 6:45 p.m.

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NEW BUSINESS

TAB 3—Affordable Housing Agreement with TELACU for a 75 Unit Senior Housing Rental Project

Robb Steel, Director of Economic Development stated that this housing project is the second project with TELACU. In 2004 they started the TELACU project on Merrill Ave. and Riverside Ave. 70 units of senior housing financially supported by the Federal Government through the Section 202 program. This second project will be located at the south west corner of Cactus Ave. and Foothill Blvd. They acquired the site in 2008 and paid \$1.8 million. They entered into a Purchase Option Agreement with TELACU at that time to develop a senior rental housing project. They submitted the application for the Federal 202 program and an application to the County to receive HOME funds and they were successful on both endeavors. This will be a 75-unit project and built on 3.37 acres of the site. There is a small residual parcel that will be used for Open Space or the future Rails to Trails Program as a park and recreation asset. They will build the project on Parcel 1 and Parcel 2 is so close to the Channel so there were concerns raised by HUD about potential flooding so they didn't that part to be a part of the developed site. They looked at some options for improving it with landscaping. The other issues were the operating costs attached to that for either TELACU or the City. So through consultation with EDC they decide t hold on to that parcel for now and develop a solution. They will include balconies in this project which they didn't include in the first project. They will start construction in a couple of months. The HUD funding is in place and this one has another set of regulations they have to deal with. The Federal 202 regulations which supersedes the RDA regulations so again they have the process of conflicting regulations. It has a residual receipt component and this case the loan is \$2 million that includes the land acquisition costs of \$1.5 million and a half million they expect to put into construction. These units have to be set aside for seniors 62 years of age and older for a minimum term of 55 years. The projects costs are \$15.8 million for 75 units. The rents for this project under 202 regulations are set at 50% of County median income. Under HUD regulations the rents are tailored to the households actual income, they charge the tenant 30% of their actually income. All of these units will be restricted for very low income occupancies.

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Mayor Vargas declared the public hearing open. No one came forward.

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Motion by Council Member Palmer, second by Council Member Scott and carried by a 4-0 vote to close the public hearing. Council Member Robertson was absent.

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NEW BUSINESS

TAB 3—Affordable Housing Agreement with TELACU for a 75 Unit Senior Housing Rental Project

Mayor Pro Tem Baca Jr. stated that what he really likes about this project is that there is a need, they have a lot of seniors now that are living with other family members. There is a long waiting list for TELACU right now. With this next project and potentially a third project. They are securing \$11.8 million dollars from HUD 202 funding and securing \$2 million from the County of San Bernardino.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by a 4-0 vote to adopt **Resolution No. 5819**, **RDA Resolution No. 702** and **RHA Resolution No. 0005-10** consider Approval of an Affordable Housing Agreement between TELACU and the Rialto Housing Authority for Development of a 75-Unit Affordable Senior Housing Rental Project at the Southwest Corner of Foothill Blvd and Cactus Avenue and budget **RHA Resolution No. 0006-10**. Council Member Robertson was absent.

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Council Member Robertson returned to the dais at 7:00 p.m.

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NEW BUSINESS

TAB 1 – Appeal decision denying Conditional Development Permit No. 644

Mike Story, Director of Development Services stated that an applicant proposed a Big 99 Cent Store to be located at 993 W. Valley Blvd in unit 107, within the Mission Plaza Business Park. The site is located within a multi-tenant commercial center on the southwest corner Spruce Ave. and Valley Blvd. On October 2007 the City Council approved Ordinance No. 1409 amending Chapter 18.66 of the RMC, requiring a Conditional Development Permit for any new single price overstock discount stores. Ordinance No. 1409 was created to prevent an over proliferation of certain commercial uses that have been known to cause or contribute to one or more adverse effects to surrounding areas. In November 2009 the applicant filed a Conditional Development Permit with the Development Services Department to establish the Big 99 Cent Store in that location. At the January 27, 2010 meeting the Planning commission received written and oral testimony regarding the proposal for this Big 99 Cent Store which included an Agenda report and supporting documents prepared by the Planning Division staff which recommended approval of the Conditional Development Permit No. 644. Oral statements from the applicant and an oral statement from the managing partner of the property. Section 18.66 of the RMC cites the necessary conditions for granting a Conditional Development Permit. According to the Code Section, before any Conditional Development Permit may be granted, each of the findings must be made in a positive manner.

NEW BUSINESS

TAB 1 – Appeal decision denying Conditional Development Permit No. 644

Mike Story, Director of Development Services stated that based on the testimony received during the public hearing the Planning Commission determined that the proposal did not meet all of the required findings. The Planning Commission cited that the proposed Big 99 Cent Store is not deemed desirable or essential since the City is well served by a total of seven other similar establishments. The commission also felt that the addition of another single price discount store would create an over proliferation of the use within the City. Following the testimony the Commission voted 5-1 to deny the Conditional Development Permit No. 644. On February 16, 2010 the applicant filed an appeal of the Planning Commission action. The Planning Commission determined not all of the required findings to grant a Conditional Development Permit can be made in a positive manner. It's recommended that the City Council uphold the decision of the Planning Commission and deny the request to establish a single price discount store at the subject site for Conditional Development Permit No. 644.

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Council Member Scott asked how many 99 cent stores are on Valley Blvd.?

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Mike Story, Director of Development Services stated that there are none by the survey staff did. There are seven and the closest one to this site is 1.7 miles away.

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Council Member Scott asked for the definition of a positive manner.

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Mike Story, Director of Development Services stated that is the determination of the Planning Commission. Staff recommended approval and the Planning Commission determined that those findings could not be made.

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Council Member Scott stated that he doesn't believe this is on the spirit of the ordinance they passed. It was his understanding when they passed the ordinance that the purpose of it was to keep certain businesses such as 99 cent stores from congregating in one area. He doesn't think it was their intent to deny 99 stores anymore than it would be their intent to deny McDonald's a permit to build a new McDonald's because they already have four here. He is a very devout supporter of small businesses. He is having a hard time understanding why the Planning Commission would deny this item.

NEW BUSINESS

TAB 1 – Appeal decision denying Conditional Development Permit No. 644

Council Member Scott stated that Valley Blvd. doesn't have a 99 Cent Store. There are a lot people that live in that area and thinks it would be convenient for them. He doesn't believe it accurate when they say it's not essential or desirable to provide service or a facility that would be contributed to the convenience or general well being of a neighborhood. He doesn't believe this is accurate. This is one of his main concerns of the Ordinances they continue to pass in this City. They are not worded properly so down the road someone misinterprets it. To his knowledge 99 cent stores do not contribute to crime and they don't detract. They are sending the business community a very bad signal.

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Council Member Palmer stated that it was recommended that the Planning Commission approve this item. Is there a formula they use to define a proliferation of businesses?

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Mike Story, Director of Development Services stated that they recommended approval and the Planning Commission still made the determination to deny a Conditional Development Permit. Based on City Council recommendation this evening it will send a clear definition to the Planning Commission on the meaning of what proliferation is.

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Council Member Palmer stated that he found the decision arbitrary. Staff originally recommended approval of the Conditional Development Permit but in the staff report the recommendation to City Council says to uphold the decision of the Planning Commission.

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Mike Story, Director of Development Services stated that they did recommend approval to the Planning Commission. The message to the Planning Commission is clear on what should be done in this case.

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Council Member Robertson stated that they came before the Planning Commission for a Conditional Development Permit but it's in a strip mall with commercial uses and this is a commercial use.

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Mike Story, Director of Development Services stated that 18.66 when they made revisions it established a list of various uses, discount stores, 99 cent stores, tattoo parlors, smoke shops were classified.

NEW BUSINESS

TAB 1 – Appeal decision denying Conditional Development Permit No. 644

Mike Story, Director of Development Services stated that any of those uses wherever they are proposed required a Conditional Development Permit.

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Council member Robertson stated that the other criteria presented to them stated that it wasn't an over proliferation of 99 cent stores.

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Mike Story, Director of Development Services stated this is correct. They did a survey and there are seven and the closest one was 1.7 miles. The recommendation was approval. They established conditions, such as reviewing annually. This was included in the recommendation. They went down the path that they felt there was proliferation of 99 cent stores.

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Council Member Robertson asked what are the existing businesses in the Mission Plaza.

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Mike Story, Director of Development Services stated that there is a craft store, a veterinary hospital, a mattress shop, and consistent commercial uses.

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Mayor Vargas declared the public hearing open.

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June Hayes, P.O. 2395, stated that as a Commissioner, she supports commissions. She stated that City cannot survive as a bedroom community and they need businesses for income. She is a heavy user of the 99 cent store and she supports the placement of a 99 cent store in that location.

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Grant Cooper, an owner of Mission Plaza, stated that one of the seven 99 cent stores recently went out of business so this new 99 cent store would not be an over proliferation. He looks forward to having them as a tenant and would be a great contribution to the shopping center. They make sure to not have competing businesses.

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Motion by Council Member Palmer, second by Council Member Scott and carried by unanimous vote to close the public hearing.

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NEW BUSINESS

TAB 1 – Appeal decision denying Conditional Development Permit No. 644

Council Member Robertson stated that she knows the community have in the past expressed concerns about the types of businesses and what might be an over proliferation. She does think there is a need in certain areas for certain types of businesses. On Valley Blvd. she doesn't think the diversity and types of businesses are available to the residents in that part of the City. She doesn't want to send a message that she is not in support of the Planning Commission and believes they tried to carry out their intent in regards to that Ordinance. The small businesses are their backbone and they do look to them.

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Motion by Council Member Scott, second by Council Member Palmer and carried by unanimous vote to overturn the decision of the Planning Commission and approve Conditional Development Permit No. 644.

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NEW BUSINESS

TAB 4 – Mid-Year Budget

June Overholt, Chief Financial Officer stated that these are the Mid Year recommendations for the budget. The departments reviewed their budget activities from July through December and make changes. Finance reviewed and compiled it. Revenues show changes to the estimates based on trends, and external information and the expenditures showed changes based in trends, savings and new requests. Regarding revenues in the General Fund, they have significant changes and one is in the area of sales tax. Because there has been such a change in fuel consumption they are recommending a reduction of \$1.4 million. With property tax they are going to request an increase. The loss in property tax revenues did not go at the same level. It did decrease but not at the same level they thought it would be. They received information from the County that there is going to be a reduction. Investment earnings, unfortunately the earning rate is so low that they are not getting what they anticipated when they first prepared the budget. Regarding the cost allocation plan, the General Fund does benefit from receiving an overhead from the other funds. When those funds have an increase in revenues then the General Fund benefits. The most volatile area of the sales tax is fuel and service stations. Its 50% of the sales tax so when it goes up they benefit and when it goes down they really hurt. At the bottom they have sales tax for small businesses and they remain constant so it makes sense to keep them in the City. Year 2008 was their best and since then they have seen a decline. When they look at the expenditures they have some adjustments that have been recommended for the expenditure area. One of them is in the Fire budget. Another is they have injuries on duty which prompted additional costs to the budget of \$200,000. They also, have a provision where they can cash out or accrue holiday time. During this term they've cashed out.

NEW BUSINESS

TAB 4 – Mid-Year Budget

June Overholt, Chief Financial Officer stated there is some benefit for the City for doing that because it reduces their accruals. It's an obligation the City has. There is some benefit that this has been cashed out. It means in the future there is no time off and not obligation sitting on the financial statements. They have also increased the overtime by \$190,000 and included in that is primarily for an off-duty injury of an employee and is required to backfill and individual. The next area where there are some increases is the Internal Services Fund. There are three major areas and one is related to Workers Comp. At this time they are recommending a \$300,000 transfer from the General Fund into the Workers Comp Fund. Her hope is that the trends they saw in the first half of the year won't continue through the remainder of the year. The area is in Development Services and they continue to reduce their costs but there is still some need to cover some operational cost for this year which is \$240,000. The final area is in the landfill mitigation area. There are funds that come into the City that need to help with traffic. Those funds currently sit on the balance sheet and they will move those to cover the traffic engineer and the traffic functions that go on in the City. The Fleet allocation benefits from the fuel reduction on the expenditure side. The trend of expenditures shows where revenues are going down and expenditures are growing throughout the years. One of the things for 2010, had it not been for the employees negotiating some concessions that revised budget probably would have been \$4 million higher. Some people have asked how they have managed the finances throughout the years. In 2005 the revenues and expenditures were the same and then they had some years where the revenues were significantly higher than the expenditures which allowed them to grow the reserves. In 2008 when the revenues were at the highest the expenditures were close to what the revenue were and 2009 was virtually the same. In the 2010/2011 budget year the revenues are below what the expenditures are. When they adopted the revenues in the General Fund it was \$52 million. They did carry forward grants totaling \$500,000. Since that time City Council has approved some action that has added to the revenues \$1.6 million and the primary source of that increase is the Prop. 1A funding they received. With the mid year recommendations that would be a reduction of \$1.4 million bringing them back down to where they started the year. On the adopted budget expenditure side they started with \$53.7 million and they have some carry forwards of grants and some capital projects. Since that time City Council has approved some adjustments and they have mid year expenditure adjustments which is an increase of \$740,000. This gives them a revised expenditure total. The difference between the beginning resources and the increases in the expenditures and the losses and revenues leaves them with a new gap of \$671,000.

NEW BUSINESS

TAB 4 – Mid-Year Budget

June Overholt, Chief Financial Officer stated when they say they have beginning available resources they had in their financial statements reserved \$1.5 million for the deficit that was approved in the budget. They also had in the financial statements a reserve for encumbrances which was carried forward which are the open P.O.'s and encumbrances that were from last year that were carried forward to the current year. There were reserves for capital of \$989,000 which equals \$3 million being used to fund the difference between revenues and expenditures. They are still left with a gap of \$671,000 and at this time they are recommending the use of reserves for that. If the budget happens precisely this will reduce their contingency reserve from the \$31 million to \$30.5 million. They know the actuals never come in precisely but this is what the plan is. Regarding the other funds, the Special Revenue Funds are restricted so they have Measure I, Traffic Congestion, and some adjustment because revenue came in. With the major capital projects, they received money from Caltrans but they needed to budget the increase to actually spend it on the Foothill Blvd. improvements. They also needed to increase the Neighborhood Stabilization Program. Those homes bought with the grant money are now being resold is providing some revenue that can be recycled into the program. The gap between the revenues and the expenditures this is funded through fund balance. In situations where impact fees were received in the past with the projects occurring in this year is the example. With the Utility Authority they are recommending changes, for the Wastewater fund they had a presentation of the Gas Company funding the grant they have given the City which they need to put into the budget. They have additional impact fees come in so they needed to increase that. On the Water fund side they have reduced some of the budgeted expenditures because there are some capital projects that are just starting to occur. Staff was uncertain they were going to move forward depending upon what happens with the Water Lease. In this situation they see a gap between revenues and expenditures which are higher. The funding source is one when it's the Chevron project it's still in progress so it's financed. Funding from that has been received in the prior years. Where there are capital projects those are funded through fund balance. The Redevelopment Agency, the property tax revenue has come in higher than they thought the loss would be so they have increased the budget to reflect that. They have also decreased some of the expenditures for some projects that are not going to happen. There is a gap between the revenues and expenditures which is significant. This has to do with the bonds issued in prior years that are funding these projects. This is a reminder they do have challenges that affect budgeting and planning. The three mentioned have to do with the Gas Tax revenues, the State is coming up with some plans to determine what they are going to get and how they are going to get it.

NEW BUSINESS

TAB 4 – Mid-Year Budget

June Overholt, Chief Financial Officer stated that one thing they have done is suspend the payments. The next payment should be at the end of April so they have kept payments for 6 months. On the property tax revenues because the information they received from the County says they are going to lose 12% of revenues next year. One of the things they tried to determine is why haven't they really seen the hit this year. Some of the scandals that have occurred at the County are contributing to that, slowing down the process. There are a lot of appeals that are sitting on the books. There are 134 appeals pending some kind of determination. They also received information saying there are 7400 parcels where the value has been reduced. This affects their property taxes which will hit the next cycle.

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Council Member Scott stated that in regards to the Fire Dept. budget, \$600,000 increase. What is the amount of overtime?

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June Overholt, Chief Financial Officer stated that the overtime they are recommending is \$190,000.

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Council Member Scott stated that number is different that what they were told earlier. What is the rest of the money for?

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June Overholt, Chief Financial Officer stated that the other two pieces are for the holiday cash outs and the impact of injuries.

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Council Member Scott stated that mid year last year do they recall what their amount of increase was. He believes it was between \$600,000-\$800,000.

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June Overholt, Chief Financial Officer stated that it was in the \$700,000 range and that all went to the overtime. This time its not all overtime.

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Council Member Scott stated in regards to the Water and Wastewater funds, upon reading the audit there was \$2 million in reserves in Wastewater and Water funds.

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June Overholt, Chief Financial Officer stated that there are those funds available.

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NEW BUSINESS

TAB 4 – Mid-Year Budget

Council Member Scott stated that according to the Utility Authority at the end of the fiscal year that money can be transferred into the General Fund. Is there not \$5million in reserves for the Freeway overpass expansion?

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June Overholt, Chief Financial Officer stated yes there is.

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Council Member Scott asked if this came out of the General Fund.

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June Overholt, Chief Financial Officer stated that it is in the General Fund and is reserved in the General Fund but its not part of the \$31 million in reserves.

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Council Member Scott stated that the City Council should look at transferring those reserve funds from the Water/Wastewater funds to the General Fund as allowed by the RUA. Secondly, in regards to the reserves that is for the Freeway Overpass Project, there is \$5 million in General Fund reserves but they are \$4million under on the construction contract which is bond money, Measure 1 money and whatever Federal money that goes along with that. So if there was an overrun on that project those funds should come out of that \$4 million.

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June Overholt, Chief Financial Officer stated that this is her understanding the \$4 million or \$5 million in the General Fund.

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Council Member Scott stated that he wants to make sure, they are \$4 million under budget which has nothing to do with the \$5 million in reserves.

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June Overholt, Chief Financial Officer stated that this is correct.

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Council Member Scott stated that if they were over on that project that money should theoretically come out of the \$4 million.

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City Administrator Henry Garcia stated the answer is yes.

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NEW BUSINESS

TAB 4 – Mid-Year Budget

Council Member Scott stated then he has a concern with why they have \$5 million sitting there. Especially when they can be applying for Stimulus money. On his trip to Washington DC he talked to Congressman Baca and Senator Feinstein's Office and was told they may have a chance of getting some Stimulus money for the bridge expansion which they desperately need if they had some matching funds. Whether they use the whole \$5 million or part of it they should look at it and apply for those funds. When they get the overpass over the 10 Freeway done, they still have the problem of the overpass over the railroad tracks. It's his recommendation to bring this back on what to do with the \$5 million.

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City Administrator Henry Garcia stated that this can be done. It's timely to debate the use of the \$5 million.

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Council Member Robertson stated that the \$4 million is the savings from the bid of the project. Is that \$4 million a mixture of City money, SANBAG's money and other money. This may not be a true \$4 million available to the City.

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Council Member Scott stated this is why he wants a real answer to our percentage. The other question is does this money sit in SANBAG or does it get transferred out.

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Council Member Robertson stated that the reason she raises the question is that if it's a mixture of City money and theirs then the question becomes have they taken their portion and maybe redirecting it to some other project.

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June Overholt, Chief Financial Officer stated that they will check on that and knows that a certain portion has gone into the escrow account for the project. She doesn't know if the \$4 million was included in that piece.

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Council Member Palmer asked if the \$5 million in reserves was a requirement. What is the purpose of having the \$5 million in reserves?

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June Overholt, Chief Financial Officer stated that the \$5 million was established several years ago. At this point if City Council is giving direction to move it out then City Council has the discretion to do that. It was done by Council action through a staff report to establish that reserve.

NEW BUSINESS

TAB 4 – Mid-Year Budget

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Council Member Scott stated that the reason it was done was because at the time the economy construction costs were escalating every month so they feared they would not have enough money to start the project. Another question is if and when the Walmart Project moves forward, how much of Riverside Avenue from San Bernardino gets paved to the freeway and should they be taking part of that \$5 million and repaving the streets.

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Council Member Robertson stated as a point of clarity, there is a \$4 million savings and also a \$5 million reserve.

She would like for staff to look at and come back with a year end analysis of what it will mean to them if the Governor proposes the Gas Tax swap. It sound like a great swap that allows for transit projects it takes away from the sales tax dollars that would come to the cities. She was concerned with the reserves and on trying to follow along it wasn't adding to what she presented. They keep talking about what is happening at the County and the delay. There are some other challenges they are addressing. Have they sent a letter to the County expressing concerns about the delay in receiving what is due to the City?

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June Overholt, Chief Financial Officer stated in this situation it is individuals who are appealing their property taxes so its not in the City benefit to accelerate that then it means less revenues to the City. They have talked to the County and it was explained some of the delays had to do with adjusting to their scandals.

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Council Member Scott asked if the County has done all their adjustments to the property tax rolls.

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June Overholt, Chief Financial Officer stated that they have done the auditing of what has occurred in the past they had concerns about. They are now tackling the 134 appeals. When they prepare the budget and identify the resources available to fund the budget they do not include the contingency they describe in the \$31 million. This is not in the documents so it won't add up to that.

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Council Member Baca Jr., left the dais at 7:20 p.m. and returned at 7:24 p.m.

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NEW BUSINESS

TAB 4 – Mid-Year Budget

Council Member Scott asked doesn't the RUA require the sweep to be done by June 30th.

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June Overholt, Chief Financial Officer stated that they wouldn't know that by the end of June 30th because there are so many accruals that occur in July and August. On the auditing part of it the physical calendar date is June 30th but on the books they have to go into July and August.

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Council Member Scott asked if there is a requirement in the Utility Authority document that requires the sweep to be done by a certain time.

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June Overholt, Chief Financial Officer stated based on the year end so they will confirm how that technicality works.

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City Administrator Henry Garcia stated that the Mid Year is better than what they thought. The suggestions of the sweep of the RUA along with the \$4 million and having City Council articulate the use is going to be a boost.

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Motion by Council Member Scott, second by Council Member Palmer and carried by unanimous vote to adopt **Resolution No. 5820**, **RUA Resolution No. 01-10** and **RDA Resolution No. 703** amending estimated revenues and appropriations for the FY 09/10 budgets of the City, Rialto Utility Authority and Redevelopment Agency.

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TAB 5 – Tree Planting Partnership Grant

Katie Nickel, Public Works Department, stated that this item is for approval of the South Coast Air Quality Management District (AQMD) Tree Planting Partnership Grant for \$54,046. In the last few years the City has made a concerted effort to obtain and plant trees citywide. In 2007 the City planted 260 made possible from a grant with the United Voice for Healthier Communities. In the absence of available grants the following years the City received donations from local vendors to plant 200 trees with the help from the Boy Scouts of America Eagle projects. This year they were fortunate to apply for and receive an award to plant 300 trees. The goals of this partnership grant is to increase the benefit that trees provide in reducing criteria and toxic air pollutants along with greenhouse gases. The main objectives are to plant 300 trees, drought tolerant and plant them in City parks, medians and parkways.

NEW BUSINESS

TAB 5 – Tree Planting Partnership Grant

Katie Nickel, Public Works Department, stated that the grant stipulates a timeframe of 230 trees planted in the spring and 70 to be planted in late summer. Those trees require irrigation to be put in first. They also need to maintain through the grant for a 24 month period the trees planted. The grant authorizes them to hire 16 student interns that will help with tree planting efforts. These students will help conduct a community, education and outreach to promote the tree planting and inform citizens about the value and benefit of the project. The grant requires a matching and in-kind contribution from the City. The City is using budgeted park maintenance funds. These funds will be used to procure supplies and the cost of the water meter that is needed for the new irrigation system. Also it will provide for a portion of funding the irrigation system where it doesn't currently exist. The in-kind contribution is in the form of City staff time, the use of City equipment and citizen volunteers. They will order 230 trees for the City's Earth Day on April 24th where 200 volunteers are expected to attend. The sites that have been selected are Fergusson Park, Frisbie Park, Andreson Park, Birdsall Park, Rialto Park, Terra Vista Drive, and Casa Grande Parkway. The locations were based on the following criteria, where irrigations currently exists so they can ensure the survival of the trees, where there is open space to maximize the use of volunteer force and then they use places where trees were once removed. The remaining 70 trees that will be planted in the late summer will be along Baseline Rd.

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Council Member Scott stated that some of the trees will replace old trees that have been removed because they tore up sidewalks. Does this include residential neighborhoods?

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Katie Nickel, Public Works Department, stated that it will be in the parkway areas in residential neighborhoods such as the Terra Vista parkway and Casa Grade parkway.

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Council Member Scott stated for instance Palm Ave. where trees were removed years ago and were never replaced.

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Katie Nickel, Public Works Department, stated that they did not include that at this time when selecting the areas for Earth Day.

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Council Member Scott asked what is the City's program for replacing trees in neighborhoods where they are taken out.

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NEW BUSINESS

TAB 5 – Tree Planting Partnership Grant

Katie Nickel, Public Works Department, stated that she doesn't have an answer for that but can come back with an answer for City Council. She does know that a citizen has seen the Earth day flyer and has requested that a tree be replaced that was removed in front of her yard. They are looking into that and may be providing a tree if budget is available.

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Council Member Scott stated that he would like to see that happen. He is all for planting trees in parks but they are taking trees out of neighborhoods and not replacing them. They need to somehow add that into the program.

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Mayor Pro Tem Baca Jr. stated that staff has mentioned that a portion has been designated to the parks but there will be a remaining balance and potentially some of them can be chosen for residential for replacement.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote to adopt **Resolution No. 5821** approving Acceptance of the South Coast Air Quality Management District (AQMD) Tree Planting Partnership Grant for \$54,046.

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Council Member Palmer left the dais at 8:00 p.m. and returned at 8:05 p.m.

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TAB 6 – Funding Modification for the Acquisition, Rehabilitation and Resale Program

John Dutrey, Housing Program Manager, stated that the City of Rialto received \$5.5 million from the Neighborhood Stabilization Program to address foreclosures. This is to discuss the transferring funds, as of March 2010 they have allocated \$2.2 million out of \$2.5 million for the program to buy foreclosed homes, repair them and then to resell them to homebuyers. They have allocated \$100,000 to provide down payment assistance for these homeowners. They have currently done 27 homes and sold 4 at this point. HUD had a regulation that they had to spend funds within 18 months or they will lose the appropriation. In this case that appropriation ends on September 1, 2010. Out of the original \$2.5 million for the Acquisition, Rehabilitation, and Resale Program they have about \$300,000 remaining so they won't have a problem spending it by September 1st. However they have only spent \$100,000 out of the original \$1 million so they have \$900,000 that they need to spend by September. They will spend that money for down payments for them to get to that point. They are asking to transfer \$900,000 from the Down Payment Assistance Program to the ARR Program.

NEW BUSINESS

TAB 6 – Funding Modification for the Acquisition, Rehabilitation and Resale Program

John Dutrey, Housing Program Manager, stated that they will be able to use the funds for both programs. Right now they will use the funds more for the ARR program that is a bigger component of cost. In addition to that they are estimating that by July they will be able to recapture at least \$1 million from the sale of homes. When they acquire the home they provide an acquisition loan to the development partner and they are responsible to provide the rehabilitation costs. When that money comes back it's called program income and they can use that money for both ARR and Down Payment Assistance. The recommendation is to transfer \$800,000 from the Down Payment Assistance Program to the ARR Program and be able to have the flexibility of those funds.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by unanimous vote adopt **Resolution No. 5822** approving the proposed funding modification for the Acquisition, Rehabilitation and Resale Program and the Down Payment Assistance Program as part of the Neighborhood Stabilization Program.

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TAB 7 – Pepper Avenue Extension Project

Robb Steel, Director of Economic Development stated that this item is a series of agreements with professional services purveyors to facilitate the Pepper Ave. project. They have agreements with SANBAG to cause the construction of Pepper Ave. Extension by certain dates with consequences in the event they do not complete the milestones. They entered into an Agreement with AEI-CASC several years ago to do the preliminary design work for the Pepper Ave. Extension. They were also instrumental in preparing some of the plans and diagrams that the Fish and Wildlife Services asked along the way. Based on the number of changes that the Fish and Wildlife Services required they had to ask AEI-CASC to do some additional work that was beyond the original contract. So they are seeking approval to amend their contract to include some additional services and complete the design work to get that project under construction. In addition there are several parcels that need to be acquired either in fees or easements or temporary construction easements or drainage easements. They have recommended entering contracts with Boznanski and Company to appraise the seven property interests, five are private party and two are water companies. Then to engage Overland, Pacific and Cutler for right-of-way acquisition services. The cost of the additional services for the engineering work is \$41,831. They had an \$88,000 contract so they are adding \$41, 831 for OPC work is \$20,000. Then to complete the appraisals is \$12,250 and they have an incidental title expense of about \$4,300. So the total cost for all these changes is \$78,375.

TAB 7 – Pepper Avenue Extension Project

Robb Steel, Director of Economic Development stated these costs are being paid by the RDA through various bond issues allocated to the project.

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Motion by Mayor Pro Tem Baca Jr., second by Council Member Robertson and carried by unanimous vote to approve (1) Amendment No. 1 to the Professional Service Agreement between the Redevelopment Agency of the City of Rialto and AEI-CASC for Civil Engineering Services (2) Approval of a Professional Services Agreement with Boznanski and Company for the Appraisal of Right of Way, and (3) Approval of a Professional Services Agreement with Overland Pacific & Cutler for Right of Way Acquisition Services related to the Pepper Avenue Extension Project.

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ORAL COMMUNICATIONS

Dorothy Keithley, Rialto resident, stated that her yard is a big mess from the block wall leakage after heavy rains. She wanted to know if anything was being done to the block wall. It won't do good to fix her yard if the wall still needs to be fixed.

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Bob Watson, Code Enforcement stated that they are working with the owners on getting the wall fixed. They have ordered them with an engineer fix because it blew out under the retaining wall. So they are waiting for the drawings now. They have shored it up temporarily and taken care of some of the drainage on the lot. So the water will not come out from under the wall onto neighboring properties. They will get the wall fixed first and then take care of the yards in the adjacent properties.

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Council Member Palmer left the meeting at 8:15 p.m.

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John Peukert, 1550 Shirley Bright Rd., stated that his main concern regarding the Advisory Vote on the Ballot is if it doesn't pass they could have some safety concerns within the City. He would like to feel that when they deal with budget issues they dealt with in the budget of the City. They all have restraints on their own budgets, such as furlough days and lost income. He is concerned whenever they want to put out a specialized tax that doesn't deal with what is going on in the City.

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ORAL COMMUNICATIONS

Rafael Trujillo, Congressman Joe Baca's Office, stated that the Jobs Bill exempts businesses that want to hire people who have been unemployed for at least 60 days from paying the 6.2% social security payroll tax through December. It also gives employers an additional \$1000 credit if new workers stay on the job for a full year. It extends highway and mass transit programs through the end of the year. It extends a tax break for small businesses buying new equipment. This Bill was signed by the President over the weekend. Another item that made news was the Perchlorate Bill, it directs the US Geological Survey to conduct a study of the Rialto/Colton Water Basin with a focus on the perchlorate contamination plume in Rialto. This will allow them to get more information on the plume, where it's travelling so they can better direct resources. Recently a Rialto Police Officer went to Washington DC, Crystal Gonzales who was recognized by the Congressman for her recent academic achievement by the Career College Association.

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Midge Zupanic, Rialto Chamber of Commerce, introduced the Military Banner Program with the deadline being May 31st so the banners can be up by July 1st. They have 80-100 locations to place them.

The Taste of Rialto will be held on June 3rd at the corner of Riverside Ave. and Rialto Ave.

A ballot recently came out regarding the Landscape Maintenance and Lighting which the ballot has to be signed and dated. People had a concern or actually signing a ballot and losing the confidentiality of how they voted.

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City Clerk Barbara McGee stated that she will count and tabulate the votes but her question is regarding signatures on the ballots. She has not seen what is on the ballot.

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Council Member Scott asked if a person can go in the City Clerk's Office and look at the ballot.

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City Attorney Gutierrez stated he would have to look at the Act. It's governed by the Landscape and Lighting Maintenance District Act.

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Midge Zupanic, Rialto Chamber of Commerce, stated only the people affected by the Landscape and Lighting Maintenance District are being allowed to vote. Not just anybody can vote.

ORAL COMMUNICATIONS

Midge Zupanic, Rialto Chamber of Commerce, stated that her question is regarding the confidentiality of how people vote because they have to sign and date it.

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June Overholt, Chief Financial Officer stated that the ballots were sent out through Willdan the consultant and sent to the addresses in the district. Once the people sign it, it is given to the City Clerk's Office and maintained in a safe place in the City Clerk's Office until April 27th when they will be opened and counted. Then question is what happens to them at that point? Are they disposed of in a safe way so the signatures are no longer available after they have been counted? She will ask the questions.

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Council Member Scott stated that its similar to BIDA, they need to sign the ballot because it's the property owner.

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Midge Zupanic, Rialto Chamber of Commerce, stated that she understands that but in any ballot where you are voting such as in November or June the ballot is confidential, no one knows how you voted. Will this be the same for this particular ballot?

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June Overholt, Chief Financial Officer stated that it cannot be that way because this particular vote is based on zones of benefits. So depending on who votes, their vote may have a greater weight than another one. A commercial property that has a larger piece of property would have a larger weight so they would have to look at every individual ballot to see what was voted. When they are voting to elect a person each person has an equal vote.

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Midge Zupanic, Rialto Chamber of Commerce, stated then those ballots are open to the public?

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June Overholt, Chief Financial Officer stated that she never observed them being open to the public in the past.

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City Attorney Jimmy Gutierrez stated that they are not saying that and they will come back with an answer.

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Council Member Robertson stated that Ms. Zupanic had raised the question about the whole process and why it just wasn't voted on.

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ORAL COMMUNICATIONS

Midge Zupanic, Rialto Chamber of Commerce, stated that her previous experience on City Council that under AB 1600 that if they can prove a fee or a charge for a level of service they were offering they can then charge that fee without going to a ballot. She wondered why this wasn't done with this and a ballot was sent out.

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City Attorney Jimmy Gutierrez stated that AB 1600 is a method to collect costs for certain services the city provides. The properties are properties that are specially benefited by landscaping and lighting and those properties are within the District which are assessed based on the benefit so it's a different basis of the computation. The computation is not just the cost to provide the overall benefit to the district but it's further apportioned so that each property according to the size of the property pays a proportionate amount. This is not done under AB 1600 but done under Streets and Highways Code, Lighting and Landscaping Maintenance District Act and Prop. 218.

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REPORTS

Council Member Robertson stated that this past week she travelled to Washington DC to attend the National League of Cities Conference. They were made aware of another Jobs Bill that has just been introduced HR 4812 by Congressman George Miller. She was excited to find that this Bill was introduced, what is unique about this Bill is that it's designed to retain their employees and designed for the public sector. This will be important that they as a City draft a letter to urge the Congressman to be supportive. This is a two year bill; to ensure they don't add people to the unemployment line. It's \$75 billion for the local communities to hire vital and retain staff.

In addition, there is going to be a National Program called Focus Attention. To focus attention on people who do distractive driving which has become a real problem such as texting, read, GPS, etc. It was shared that to date there have been 8000 fatalities due to distractive driving. There is a campaign and laws have been passed but nonetheless it's about enforcement.

A citizen brought to her attention the sound system, where the people at home have a hard time hearing the City Council Meetings. Often times it's the reception with the company they are contracting with and not necessarily with the city equipment.

She stated that there are a lot things available to the employees through the National League of Cities in the form of discounts. She will follow it up with the city Administrator.

She wished her mother a Happy Belated Birthday who celebrated her 82nd birthday and Council Member Ed Scott a Happy Birthday.

REPORTS

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Council Member Scott stated that he was in Washington DC with Chief Kling and they were made aware of the Jobs Bill and the COPS program that will retain police officers. They had the opportunity to visit Congressman Baca's Office, Senator Feinstein's office and Senator Boxer's Office. They all indicated support for the Jobs Bill and help to secure monies. They went over the items that the City has requested for funding. It was extremely helpful to have the Police Chief Mark Kling along.

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Mayor Pro Tem Baca Jr. congratulated Eisenhower High School Boys Basketball Team for their participation in the playoffs.

He had the opportunity to attend the Rialto Park Opening Ceremonies.

He wanted to address an issue that was in the newspaper regarding the cemetery. It was a sensitive issue to the family involved and the City owes them a public apology. He would like to apologize publically to the family.

He congratulated Officer Quinonez who returned from the Middle East and thanked him for serving our Country.

He wanted to thank Mike Hayes from Public Works and Crystal Enriquez Pulido who is an AVID teacher from Eisenhower High School. There is a Give A Day, Get A Day Program where people volunteer time in the community and they get free tickets to Disneyland. They did a few projects in the City and they have two more. They cleaned Old Rialto Middle School Baseball Field and Frisbie Park where they had over 200 volunteers, painting and cleaning it up getting ready for Opening Ceremonies. There will be 200 volunteer at Bud Bender Park and another 200 volunteers the following week at Rialto Park.

He recommended that some CDBG money go to curbs, gutters and sidewalks in the low income areas.

In regards to the COPS grant they have four officers they funded with this grant last year for this year. He thanked Chief Kling for the truancy sweeps.

He will talk to Congressman Baca about supporting the second Jobs Bill and believes he will support it.

He stated the Rialto Girls Softball and Rialto Eastern Little League, North Rialto Little league and Rialto Pony League will all be having their opening ceremonies this weekend.

He wished Council Member Ed Scott a Happy Birthday.

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REPORTS

Mayor Vargas wished Council Member Ed Scott a Happy Birthday.

Mayor Vargas stated going to Washington DC is the best thing they can do. They are there to see the right people to get funding. They have a good lobbyist helping the City.

Mayor Vargas announced Passport Day in the USA on Saturday from 10am-3pm.

She thanked the Redevelopment Agency for inviting her to the event on Pasadena and accepting the Award for the Citrus Grove Project.

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Council Member Robertson stated that this weekend they will also be holding the 4th Annual State of the Women Event at the Carl Johnson Center from 10:30 a.m. to 1:00 p.m.

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ADJOURNMENT


Motion by Mayor Pro Tem Baca Jr., second by Council Member Scott and carried by a 4-0 vote to adjourn the City Council Meeting. Council Member Palmer was absent.

The City Council adjourned at 8:45 p.m.

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MAYOR GRACE VARGAS

ATTEST:


CITY CLERK BARBARA A. McGEE